

Before and after the C-date. An objective summary

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One of the key results of U.S. President Bill Clinton's visit to Ukraine on June 5, 2000, was, no doubt, the announcement of the date when the Chornobyl nuclear power plant would be closed down. After his meeting with President Clinton, President of Ukraine Leonid Kuchma solemnly announced: I would like to let you know that the Chornobyl nuclear power plant will be withdrawn from operation on December 15, 2000.

The decision was approved taking into account expert estimates in the nuclear security field and in accordance with Ukraine's international obligations (Ukrainian National Radio UR-1, News Service, June 5, 2000). In his turn, the U.S. president announced the United States would provide US\$ 78 million for the Chornobyl Sarcophagus endowment in order to keep the radiation from the ruined reactor under the secure cover, and give additional US\$ 2 million for supporting efforts to improve security of Ukraine's other nuclear power plants (Studio 1+1, TSN, June 5, 2000).

Commenting on the event, President Kuchma argued it was no less of a historic step than Ukraine's voluntary rejection of nuclear weapons. Statements of this kind indicate, first of all, that Ukraine has made a political decision designed to contribute substantially to improving Ukraine's failing international image and create additional chances for collecting more money - as U.S. Ambassador to Ukraine Stephen Pifer was quoted as saying - at a forthcoming donor conference that is expected to gather in July 2000 to discuss prospects for securing the necessary funding for closing down the Chornobyl NPP.

The process that has opened the way for specifying the exact date when the Chornobyl NPP will be closed down had gained momentum within a few recent months. The issue of closing down the Chornobyl NPP was one of the key themes of negotiations between the Ukrainian leadership, representatives of international financial institutions and donor states. The final decision about the C-date had developed gradually, alongside with proposals of representatives of the donor states concerning guarantees of financing the process. At the end of March 2000, Minister of Fuel and Energy of Ukraine Serhiy Tulub articulated the decision, by which the government considered appropriate to close down the Chornobyl NPP by the end of 2000. According to the Minister, the government resolved to authorize the Ministry of Foreign Affairs and the Government's official delegation to organize consultations with G-7 governments, the European Commission and other interested parties on meeting the conditions, specified in the December 20, 1995 Memorandum on providing international financial support to the operation. On April 3, 2000, President Kuchma decreed the creation of the interdepartmental commission for Complex Solution of Problems of the Chornobyl NPP. Initially, the President's long-term ally and former Secretary of the National Security and Defense Council Volodymyr Horbulin had been appointed to chair the Commission, but a week later Prime Minister Victor Yushchenko was appointed to the position by a presidential decree.

Obviously, the very fact that the Chornobyl NPP will be closed does not solve the problems. Instead, the problems become deeper, they undergo transformations and pass to a new dimension. Closing down the Chornobyl NPP is just the beginning of new and complex processes that so far have shown more questions than answers. In this context, the most topical issues are linked to the pervasive energy crisis in Ukraine and a number of social and economic problems that are likely to follow the halt of the Chornobyl NPP. In order to address the challenges in an adequate manner, Ukraine must not be left alone to face its post-Chornobyl problems, as it is simply unable to cope with the aftermath of that global environmental disaster alone. Every year Ukraine spends 5-7% of its budget revenue for dealing with the Chornobyl aftermath. Since the country gained independence, at least US\$ 5 billion has been spent to address the problem.

Meanwhile, the budget needed to close down the Chornobyl NPP properly is huge. The new Sarcophagus alone is estimated to cost at least US\$ 750 million, of which the donors have collected US\$ 300 million (Ukraina Moloda, June 6, 2000). Maintenance of each of the three stopped reactors is expected to cost about US\$ 40 million per piece per year. Withdrawing the Chornobyl NPP from operation is estimated to cost 486 million Euro. But that is just a tiny portion, for there still remains the problem of financing construction of alternative reactors at other nuclear power plant to compensate for the lost energy supply. Unless this problem is resolved, there will be serious doubts about capability of Ukraine's energy sector.

Although the date of closing down the Chornobyl NPP was announced, there have been no formal statements of the total amount the donor countries were prepared to provide for the construction of Reactor 2 of the Khmelnytsky NPP and Reactor 4 of the Rivne NPP. Meanwhile, the question has been given keen attention by the Ukrainian government. According to the Interdepartmental Commission for Complex Solution of the Chornobyl NPP Problems, the halted capacities of the Chornobyl NPP can be compensated for by enacting either Reactor 2 of the Khmelnytsky NPP or Reactor 4 of the Rivne NPP, and by providing funds for purchasing fuel for thermoelectric power plants before either of those reactors is ready for operation. The cost of finishing Reactor 2 of the Khmelnytsky NPP and Reactor 4 of the Rivne NPP is about US\$ 1.5 billion. Before either of the reactors is ready to substitute for the lost capacity of the Chornobyl NPP, the fuel deficit that is likely to develop between the moment the Chornobyl NPP is closed down and a new reactor is ready for operation will require additional funding in the amount of about US\$ 80-100 million a year (Uriadovyi Kurrier, June 3, 2000).

At the 1994 meeting in Naples, leaders of the G-7 committed to provide funding for closing down the Chornobyl NPP and helping Ukraine to overcome the challenges associated with that process, particularly in the energy branch, and building compensating energy generating facilities. The relevant obligations were stipulated in the Memorandum on Mutual Understanding between the Ukrainian government, governments of the G-7 and the European Commission, signed on December 20, 1995 in Halifax. The Memorandum envisaged mobilization of the international community's financial resources and Ukraine's domestic resources to support this country's government's decision to close down the Chornobyl NPP. Adequate funding also had to be provided for development of an action plan to smooth social implications caused by closing down the NPP. However, the Chornobyl Carphagen , with the whole host of interconnected unresolved issues, from purely economic to political ones, was not so easy to destroy. Commenting on the memorandum, then Director General of the Chornobyl NPP Serhiy Parashyn argued that the Memorandum does not contain the principle point, [i.e.] anything specific about financing for closing down the nuclear power plant (UNIAN, December 20, 1995). The memorandum was rather a declaration of good intentions than a document implemented consistently. Analysis of further dynamics of the process and of donor state's involvement until the date of closing down the NPP was finally announced shows that little progress had been done. In April 1998 the situation prompted President Leonid Kuchma to announce publicly that Ukraine would not close down the Chornobyl NPP unless the G-7 provided financial support for construction of substituting facilities. Referring to the G-7 decision of 1994 to be involved in financing the construction of compensating reactors at the Rivne and the Khmelnytsky nuclear power plants, the President argued that Ukraine was fulfilling its obligations while the European states failed to do so. (Democratychna Ukraina, April 7, 1998).

However, as further negotiations and the parties' positions have demonstrated, providing financial support for construction of compensating reactors was directly linked to closing down the Chornobyl NPP. The position of international financial institutions and donor states was clearly articulated at the negotiations between Ukrainian government officials and representatives of the EBRD on March 22-23, 2000: implementation of the project designed to complete additional nuclear reactors at the Khmelnytsky NPP and the Rivne NPP depended on the Ukrainian government's action to be taken to withdraw Chornobyl from operation. The situation, in a sense, transformed into a vicious circle: if the Chornobyl NPP is closed down without introduction of additional reactors at other nuclear power plants, the country's entire energy system will suffer greatly, but no financial assistance for completing the additional block can be expected unless the Chornobyl NPP is closed down... Meanwhile, it is critical for Ukraine to develop additional energy generating capacity. Even if the funds are raised and the new reactors at the Rivne and the Khmelnytsky nuclear power plants are built, the time slot between the announced date of de-activation of the last Chornobyl reactor and the introduction of the new facilities in operation will be at least eight or nine months. According to Dr. Serhiy Yermilov, adviser to Prime Minister of Ukraine, the energy shortage within that period will reach 800 megawatt. In addition, Ukraine will have to spend about US\$ 110 million a year for providing fuel supply for extra capacity of thermoelectric power plants (Uriadovyi Kurrier, May 30, 2000). According to international experts, the assistance package for complete withdrawal of the Chornobyl NPP from operation should amount to 670 million Euro. To date the European Fund for providing assistance to Ukraine has received only 184 million Euro.

The problem is further complicated by the fact that the G-7 governments are not united in their attitude to the idea of building new reactors to substitute for the capacity lost as a result of closing down the Chornobyl NPP. The controversy surfaced during a recent visit of the Speaker of the Ukrainian parliament Ivan Pliushch to Germany, a leading donor state to the project of closing down the Chornobyl NPP. At the negotiations on the issue, members of the Bundestag spoke against providing funding for construction of new nuclear reactors to substitute for the lacking energy generating

capacity. Their attitude was closely linked to the fact that Germany, where the Greens have strong positions in the government, there are plans to close down all nuclear power plants within 20 years and transfer to the use of alternative energy sources. In Ukraine, where nuclear power plants currently produce 43% of its electricity, prospects for using alternative energy sources are very uncertain, as they require massive investment. However, the position of Germany - the country that will host the donor state's conference designed to raise funds for closing down the Chornobyl NPP - is not shared by all other European states. Talking to Ukraine's Minister of Foreign Affairs Borys Tarasiuk earlier this year, his British counterpart Robin Cook announced that the West was well aware of the fact that Ukraine would be unable to complete the reconstruction of the Sarcophagus and close down the Chornobyl NPP alone due to the financial problems it was facing. Mr. Cook was also quoted as saying his government was also prepared to provide assistance for completing and enacting new compensating capacities at the Rivne NPP and the Khmelnytsky NPP. He also argued that the Chornobyl NPP remained a reminder of ignoring safety requirements in the Soviet times (Molod Ukrainy, April 14, 2000).

Hence, one of the questions is whose views will prove to be stronger at the donor states conference in Germany in July 2000. American statements and attitude allow Ukraine to hope that the West will help it in this matter again. Shortly before President Clinton's visit to Ukraine, Ambassador Stephen Pifer announced that the U.S. government had developed a package plan that would contribute to completing compensating capacities at the Rivne NPP and the Khmelnytsky NPP (Silski Visti, June 1, 2000). Yet, the Ukrainian media did not give any hint as to what exactly the package would include.

There is another complex aspect of the problem: social consequences of closing down the Chornobyl NPP and traditional shortage of funding for Chornobyl-related social programs. Yet, this sensitive issue has gained far less attention of the international community than the technical termination of operation of the Chornobyl NPP. At the recent parliamentary hearings on the 14th anniversary of the Chornobyl disaster, Minister of the Emergencies and Protection of the Population from the Chornobyl Aftermath Vasyl Durdynets argued that interest in the Chornobyl affairs had decreased substantially in some leading countries, except for the issue of closing down the nuclear power plant (Holos Ukrainy, April 19, 2000). Meanwhile, in Ukraine the need to address social challenges created by the Chornobyl disaster have been growing rapidly, as the amount of social problems, primarily the level of health problems among the population affected by the Chornobyl disaster, has been increasing every year. The Chornobyl disaster resulted in radiation pollution of over 54,000 square kilometers of land, or 8.8 percent of Ukraine's whole territory. 160,000 local residents had to be evacuated to safer areas. Over 350,000 persons were directly involved in liquidating the accident and its aftermath. Speaking to the parliament during the hearings, Vasyl Durdynets quoted the total number of Ukrainians seriously affected by the disaster: 3,361,870 persons, including over 1 million of children (Holos Ukrainy, April 19, 2000). The number of people with various disabilities caused by the Chornobyl disaster has been growing steadily. While in 1991 there were about 2,000 whose disabilities were officially recognized as caused by the Chornobyl catastrophe, by early 2000 the figure had increased to 86,800. Health problems are 17% more common among Chornobyl-affected children than among other children, and twice over the normal rate in some disease. According to the Ministry of Health of Ukraine, the frequency of thyroid cancer has grown 10 times in Ukraine since 1986. According to Minister Durdynets, social assistance programs for individuals affected badly by Chornobyl require about UAH 4.5 billion in 2000, while the national budget has earmarked only one-third of the amount - UAH 1,574 million (Den, April 19, 2000).

Closing down the Chornobyl NPP has yet another problem area. After the nuclear power plant is closed down, the whole town of Slavutich and its 30,000 dwellers will face a severe challenge caused by the fact that practically all of Slavutich residents work at or for the Chornobyl NPP. To overcome the social and economic challenges to Slavutich, the government plans to develop a comprehensive program of encouraging alternative economic development of the area. In particular, the plans include transforming the Chornobyl NPP complex (after environmentally safe system is built) into a rehabilitation center for nuclear power plant maintenance professionals from Ukraine's other NPP. Also, the plans involve small and medium business development in Slavutich through attracting microcredits (Molod Ukrainy, March 31, 2000). However, the problem of creating new jobs in the town will remain a major challenge due to the generally unfavorable business climate in the country and the lack of additional funds that could be used for development. According to Ukrainian government officials' estimates, solving social security issues of the Chornobyl NPP personnel and their families - residents of Slavutich will require at least US 610 million (Uriadovi Kurrier, June 3, 2000).

Sooner or later, the Chornobyl vicious circle will have to be broken. Today Chornobyl is both a reminder of the world's worst nuclear and environmental disaster, and a constant threat to safety and health of millions of people and a time mine in the center of Europe. No matter how high the financial

cost is, there is a growing understanding of the fact that the Chornobyl threat has to be liquidated. Noteworthy, a recent opinion poll conducted by the Kyiv International Institute of Sociology jointly with the Sociology Department of the Kyiv Mohyla Academy showed that 60% of 1,935 adult respondents from all over Ukraine insisted on closing down the Chornobyl NPP. For Ukrainians, the problem of Chornobyl is not just a financial, economic or social one; it's not just a problem of safety but an ethical dilemma with all related consequences that has to be solved.